GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:340
ANSWERED ON:02.12.2010
CAPACITY UTILIZATION OF STEEL INDUSTRY
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Will the Minister of STEEL be pleased to state:

(a) the average capacity utilization of steel industry in the country;

(b) the existing gap between the availability and demand of steel;

(c) whether the per capita consumption of steel in India is one of the lowest in the world and far below the world average;

(d) if so, the factors inhibiting the growth of steel industry;and

(e) the steps taken for the overall growth and development of steel sector?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI VIRBHADRA SINGH)

(a) to (e): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.340 FOR ANSWER ON 2ND DECEMBER, 2010 TABLED BY SHRI SUBHASH BAPURAO WANKHEDE AND SHRI ADHALRAO PATIL SHIVAJI, MEMBERS OF PARLIAMENT REGARDING CAPACITY UTILIZATION OF STEEL INDUSTRY

(a) The average capacity utilization of crude steel production in the country during the year 2009-10 is 89%.

(b) The consumption of steel in the country is met from domestic production as well as through imports. The statistics on production, availability and consumption of finished steel for the year 2009-10 and April to October period of 2010-11 is given below:-

(in million tonnes)

Year/Period	Production	Import	Export	Net Availability	Net Consumption
	(a)	(b)	(c)	(a)+(b) -(c)	
2009-10	59.69	7.29	3.24	63.74	56.48
2010-11 (April-October)	35.59	4.82	1.74	38.67	34.34

Source: Joint Plant Committee (JPC); = Provisional

(c) As per the World Steel Association, in the year 2009, per capita consumption of finished steel in India was 48 Kg in comparison to global average steel consumption of 179 Kg.

(d) Steel consumption in any country depends upon the gross domestic product (GDP), per capita income and the factors related to such key economic parameters. During the last five years, steel consumption in the country has recorded a Compounded Annual Growth Rate (CAGR) of 9.2%. The per capita steel consumption during the last five years has also risen from 38 Kg in 2005-06 to 49 Kg in 2009-10. Therefore, the steel industry in the country is growing at a steady rate.

(e) Steel is a de-regulated sector. In a de-regulated, open market economy, the role of Government is that of a facilitator and in that capacity, it promotes/encourages growth of steel industry through suitable policy measures. In order to promote the domestic steel industry, the Government has framed the National Steel Policy, 2005 and constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary (Steel) in 2007, to monitor and coordinate the issues concerning major steel investments in the country related to infrastructure, raw material supply, environmental clearance and other resource constraints.